

Message Text

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ORIGIN EB-07

INFO OCT-01 EUR-12 ISO-00 SP-02 USIA-06 AID-05 NSC-05
EPG-02 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 OPIC-03
CIAE-00 COME-00 FRB-03 INR-07 NSAE-00 XMB-02
LAB-04 SIL-01 IGA-02 /083 R

DRAFTED BY EB/IFD/OMA: C H ERVIN
APPROVED BY EB: P H BOEKER
TREAS: D SYVRUD
EUR/WE: E M ROWELL
-----034851 020646Z /21
R 011545Z JUL 77
FM SECSTATE WASHDC
TO AMEMBASSY PARIS
INFO AMEMBASSY LISBON

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E.O. 11652: N/A

TAGS: EFIN, PO, FR

SUBJECT: FINANCIAL ASSISTANCE FOR PORTUGAL

REF: PARIS, 18443, STATE 143032

1. EMBASSY IS REQUESTED TO APPROACH GOF AT HIGH LEVEL TO URGE THAT GOF UNTIE OR EFFECTIVELY UNTIE ITS PROPOSED CREDIT.
2. THE U.S. IS PLEASED AT THE OUTCOME OF THE JUNE 22 MEETING AND THE DEMONSTRATED COOPERATION OF THE INDUSTRIAL DEMOCRACIES TO SUPPORT DEMOCRATIC CONSOLIDATION AND ECONOMIC STABILIZATION IN PORTUGAL. WE APPRECIATE FRENCH DECISION TO PARTICIPATE IN BALANCE OF PAYMENTS SUPPORT FOR PORTUGAL AND TO INCREASE THE PROPOSED AMOUNT OF THE FRENCH CREDIT TO LIMITED OFFICIAL USE

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15 MILLION DOLS.

3. THE U.S. HOPES THAT THE GOF WOULD REVIEW THE FORM OF THEIR PROPOSED ASSISTANCE AND EXPLORE FULLY MECHANISMS TO PROVIDE AN UNTIED OR EFFECTIVELY UNTIED CREDIT. PARTICIPANTS AT THE FIRST MEETING IN MAY RECOGNIZED THAT BECAUSE PORTUGAL'S FINANCING NEEDS ARE NEAR TERM AND CRITICAL, UN-

TIED BALANCE OF PAYMENTS LOANS WOULD BE THE MOST APPROPRIATE FORM OF ASSISTANCE. AS A RESULT OTHER COUNTRIES HAVE FOUND MECHANISMS TO PROVIDE UNTIED CREDITS. AT PRESENT COUNTRIES HAVE INDICATED FIRM COMMITMENTS TO PROVIDE ABOUT 680 MILLION DOLS IN UNTIED LOANS. ONLY THREE COUNTRIES -- JAPAN (FOR A PART OF ITS CREDIT) CANADA AND FRANCE HAVE INDICATED DIFFICULTY WITH UNTYING. WE ARE URGING ALL 3 TO FIND MEANS TO EFFECTIVELY UNTIE ALL THEIR PROPOSED BALANCE OF PAYMENTS LOANS FOR PORTUGAL. WITH OTHERS, AT CONSIDERABLE EFFORT, OFFERING ABOUT 700 MILLION DOLS IN UNTIED CREDIT, IT IS INAPPROPRIATE THAT SOME 50-60 MILLION DOLS FROM THESE 3 COUNTRIES BE EFFECTIVELY TIED TO NATIONAL EXPORTS. WE WOULD HOPE THAT FRANCE COULD FIND AN UNTIED MECHANISM SO THAT THE FORM OF THE GOF CREDIT WOULD BE FULLY CONSISTENT WITH PORTUGAL'S FINANCING NEEDS AND THE ASSISTANCE PLEDGED BY OTHER PARTICIPANTS.

4. IF THE GOF CANNOT PROVIDE A FULLY UNTIED LOAN WE WOULD HOPE THAT THE FRENCH COULD MAKE A HELPFUL EFFORT TO EFFECTIVELY UNTIE THEIR CREDIT. FOR EXAMPLE, AN ASSIGNMENT OF THE PROPOSED CREDITS TO PREVIOUS FRENCH EXPORTS, INCLUDING A BROAD BASE OF CONSUMER AND DURABLE GOODS, WOULD ELIMINATE TYING TO NEW PURCHASES. THE GOF COULD ALSO OFFER A MEDIUM-TERM EXTENSION OF EXPORT CREDITS DUE TO BE REPAID OVER THE NEXT 18 MONTHS. SUCH ARRANGEMENTS TO AFFORD EFFECTIVE UNTYING WOULD MAKE THE FRENCH CREDIT RAPIDLY DISBURSING BY LIMITED OFFICIAL USE

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RELEASING PORTUGUESE EXCHANGE FOR GENERAL WORLDWIDE PROCUREMENT. CHRISTOPHER

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INSTRUCTIONS, DEMARCHE, FUND ALLOTMENT, FOREIGN ASSISTANCE
Control Number: n/a
Copy: SINGLE
Sent Date: 01-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE153614
Document Source: CORE
Document Unique ID: 00
Drafter: C H ERVIN
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770236-1007
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770797/aaaadgif.tel
Line Count: 96
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 61edf071-c288-dd11-92da-001cc4696bcc
Office: ORIGIN EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 PARIS 76, 77 STATE 143032
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 25-Jan-2005 12:00:00 am
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Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1981370
Secure: OPEN
Status: NATIVE
Subject: FINANCIAL ASSISTANCE FOR PORTUGAL
TAGS: EFIN, EAID, PO, FR, US
To: PARIS
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/61edf071-c288-dd11-92da-001cc4696bcc
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